

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2011-432-C - ORDER NO. 2012-201  
MARCH 13, 2012

|        |   |   |                    |
|--------|---|---|--------------------|
| IN RE: | Application of Roman LD, Incorporated for a | ) | ORDER GRANTING     |
|        | Certificate of Public Convenience and       | ) | CERTIFICATE AND    |
|        | Necessity to Provide Resold Interexchange   | ) | APPROVING MODIFIED |
|        | Telecommunications Services throughout the  | ) | ALTERNATIVE        |
|        | State of South Carolina and for Alternative | ) | REGULATION         |
|        | Regulation                                  | ) |                    |

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Roman LD, Inc. (“Roman LD” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 2011) and the rules and regulations of the Commission. By its Application, Roman LD also requests modified alternative regulation of its interexchange services consistent with Commission orders and waiver of certain Commission regulations.

The Clerk’s Office instructed Roman LD to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Roman LD and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Roman LD complied with this instruction and provided

the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or protests were filed.

A hearing was convened on February 27, 2012, at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before Josh Minges, Hearing Examiner. Roman LD was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff (“ORS”) was represented by C. Lessie Hammonds, Esquire.

Maria E. Zepeda, President of Roman LD appeared and testified in support of the Company’s Application. The record reveals that Roman LD is a corporation organized under the laws of the State of Texas on January 26, 2011, and that the Company is registered to transact business in South Carolina as a foreign corporation. According to Ms. Zepeda, Roman LD proposes to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis.

Specifically, Roman LD seeks authority to provide intrastate, interLATA and intraLATA toll service under a single, flat monthly rate unlimited calling plan. Roman LD proposes to offer service to residential and commercial customers, but intends to initially target its marketing efforts to commercial customers only. Ms. Zepeda testified about the Company’s telemarketing and third party verification procedures. Ms. Zepeda explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures.

Ms. Zepeda also discussed Roman LD’s technical, financial, and managerial resources to provide the services for which it seeks authority. Ms. Zepeda indicated that the Company is currently in start-up mode and just began operations in a few states in

early February. Ms. Zepeda also indicated that the confidential financial statements and other confidential financial information provided as Exhibit 3 of her testimony illustrate that the owner of the Company, Sapina Quayum, has been providing additional capital investments as needed during this start-up phase. Ms. Zepeda testified that the Company possesses sufficient financial resources to support its operations in South Carolina and that Roman LD has access to the additional financial resources from its sole owner as needed.

With regard to management and technical capabilities, the Company's Application and Ms. Zepeda's testimony both evidence that Roman LD's South Carolina operations will be directed by Ms. Zepeda and Abul Karim. Both have extensive experience in the telecommunications industry. With regard to management and technical capabilities, the Company has not been denied a license in any of the states in which it has applied, nor has its certificate been revoked, nor has it been the subject of any investigations by governmental regulatory agencies. Ms. Zepeda also testified that Roman LD will operate in accordance with Commission rules, regulations, guidelines, and Commission orders.

Ms. Zepeda offered that approval of Roman LD's Application would serve the public interest by fostering greater competition in the interexchange telecommunications services market. Competition in the telecommunications marketplace inspires innovation and development of services that meet customer needs cost effectively.

The Company requests a waiver of 26 S.C. Code Ann. Regs. 103-610 since the Company's books are maintained in Texas. Further, the Company requests an exemption

from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts (“USOA”). Roman LD maintains its books in accordance with Generally Accepted Accounting Principles (“GAAP”).

After consideration of the applicable law, the Company’s Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACT**

1. Roman LD was incorporated under the laws of the State of Texas and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.

2. At the time of the hearing Roman LD was authorized to provide interexchange telecommunications services in the States of Alabama, Colorado, Florida, Georgia, Kansas, Kentucky, Massachusetts, Minnesota, Nevada, New Hampshire, North Carolina, Pennsylvania, Texas, Washington, and Utah. The Company wishes to begin offering its services in the State of South Carolina.

3. Roman LD desires to operate as a provider of resold interexchange services in South Carolina.

4. We find that Roman LD possesses the managerial experience and capability to operate as a provider of interexchange services in South Carolina.

5. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that Roman LD possesses sufficient financial resources to provide the services as described in its Application and testimony.

6. We find that the issuance of a Certificate of Public Convenience and Necessity to Roman LD to operate as a reseller of interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more competitive choices for services.

7. Roman LD requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds Roman LD's requested waiver reasonable and understands the potential difficulty presented to Roman LD should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable.

#### **CONCLUSIONS OF LAW**

1. The Commission concludes that Roman LD possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that the issuance of the authority to provide intrastate interexchange telecommunications services as requested by Roman LD and as set forth in its Application and Ms. Zepeda's testimony is in the best interests of the citizens of the State of South Carolina.

3. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Roman LD to provide intrastate interexchange telecommunications services.

4. The Commission adopts a rate design for Roman LD for its residential

interexchange services, which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. Roman LD shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. Roman LD shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 2011).

6. The Commission concludes that Roman LD's intrastate interexchange business services, consumer card services, operator services, and private line service offerings be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-

55 in Docket No. 95-661-C. The Commission has previously granted this “alternative regulation” to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical as set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven (7) days, the tariff filing will then be suspended until further Order of the Commission.

7. We conclude that Roman LD’s request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would

potentially cause undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Roman LD to provide intrastate interexchange telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. Roman LD shall file its initial tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The tariff should be electronically filed in a text searchable PDF format using the commission's DMS system (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's rules and regulations.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.



6. Roman LD shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Roman LD changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Roman LD shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Roman LD shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Roman LD shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Roman LD shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at [www.psc.sc.gov/forms.asp](http://www.psc.sc.gov/forms.asp) or at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1<sup>st</sup>**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31<sup>st</sup>** of each year. The proper form for filing gross receipts information can be found at the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov), and the appropriate form is entitled “Gross Receipts Form.”

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund (“USF”) worksheet, which may be found on the ORS’s website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This worksheet provides ORS information required to determine each telecommunications company’s liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **July 1<sup>st</sup>** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Roman LD shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at [www.psc.sc.gov/forms.asp](http://www.psc.sc.gov/forms.asp) and on ORS’s website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov); this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the

representatives are replaced.

10. The Company is directed to comply with all rules and regulations of the Commission, unless a regulation is specifically waived by the Commission.

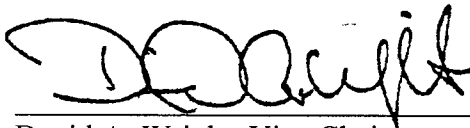
11. At the hearing, Roman LD requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2011) and use of the USOA. The Commission finds Roman LD's requested waivers reasonable and understands the potential difficulty presented to Roman LD should the waivers not be granted. The Commission therefore grants the requested waivers. However, Roman LD shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and Roman LD shall promptly notify the Commission and ORS if the location of its books and records changes.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
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John E. Howard, Chairman

ATTEST:

  
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David A. Wright, Vice Chairman  
(SEAL)